

MAINE STATE LEGISLATURE

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STATE OF MAINE
HOUSE OF REPRESENTATIVES (Filing No. H-622)
109TH LEGISLATURE
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 530, L.D. 651, Bill, "AN ACT
Concerning the Rate of Return on the Investment Factor under
the Railroad Excise Tax."

Amend the bill by striking out everything after the enacting
clause and inserting in its place the following:

'36 MRSA §2624, first ¶, next to the last sentence, as
amended by PL 1977, c. 78, §200, is repealed and the following
enacted in its place:

The tax shall be decreased by the amount ^{by} which 5 3/4% of operating
investment exceeds net railway operating income but shall in no
event be decreased below a minimum amount equal to 1/4 of 1% of
gross transportation receipts. For the purpose of this section,
"operating investment" means investment in railway property used
in transportation service, less depreciation, plus cash, including
temporary cash investments and special deposits, material and
supplies, all as reported by the railroad in its annual report to
the Public Utilities Commission. For purposes of railroad excise
taxes payable in 1980 and 1981, based upon operations for the
calendar years 1979 and 1980, "operating investment" shall also
include freight car operating leases of 10 years or more valued
at cost less straight-line depreciation over the initial term of
the lease.'

Statement of Fact

The purpose of this amendment is to clarify a portion of
the railroad excise tax statute and, for taxes based upon 1979
and 1980 operations, to include long-term freight car leases in
the definition of operating investment.